
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 11.19.2010

Washington Post: "States, mortgage lenders in talks over fund for borrowers in foreclosure mess ... State attorneys general and the country's biggest lenders are negotiating to create a nationwide fund to compensate borrowers who can prove they lost their home in an improper foreclosure, state and industry officials said."

Washington Post: "Aggressive lobbying defends mortgage-trading system ... The financial services industry has launched an aggressive campaign on Capitol Hill to bolster the legality of the way companies have turned mortgages into securities and traded them across the globe in recent years."

Washington Post: "Regulators criticized for not catching foreclosure crisis ... Members of Congress criticized federal regulators for failing to recognize problems with the nation's foreclosure system before they were brought to light by media reports, and they called for an examination into whether these issues present a systemic risk to the financial system."

Washington Post: "Former Obama car czar Steven Rattner charged in pay-for-play scheme ... State and federal authorities on Thursday charged former Obama administration car czar Steven Rattner with participating in a "pay-for-play" scheme to win business from New York state's pension fund, and sought more than \$30 million in penalties."

Wall Street Journal: "Bank Regulators Launch Examination of MERS ... Federal bank regulators are conducting examinations of two companies that banks use to process foreclosures, amid concerns that banks cut corners on thousands of foreclosure documents, Acting Comptroller of the Currency John Walsh said Wednesday. Walsh, in remarks prepared for delivery Thursday, said his agency is examining Reston, Va.-based Mortgage Electronic Registration Systems, MERS, in conjunction with the Federal Reserve, the Federal Deposit Insurance Corp. and the Federal Housing Finance Agency."

Wall Street Journal: "Jury Finds Bankers Misled on Loan Risk ... In a closely watched case that could have ramifications for companies that suffered big losses in the financial crisis, a Miami jury found that a local bank and some top executives were liable for damages for misrepresenting the value of real-estate loans as housing woes deepened. The finding against BankAtlantic Bancorp of Fort Lauderdale, Fla., is one of the first jury verdicts to arise from the financial crisis and could encourage other plaintiffs to go after banks for losses tied to risky real-estate loans."

New York Times: "Fewer Fall Delinquent in Paying Mortgages ... Even as the fight over foreclosures continues, the high tide of delinquency among homeowners has begun to recede. Households that are behind in their mortgage payments fell during the third quarter to 13.52 percent, from 14.42 percent in the second quarter, the Mortgage Bankers Association reported on Thursday."

Associated Press: "Foreclosure class actions pile up against banks ... Foreclosure-fraud class action lawsuits are starting to pile up against major banks across the U.S., threatening a besieged industry with billions more in potential losses. Bank executives are swarming Capitol Hill this week to defend themselves against multiple foreclosure-related investigations, including one by all 50 state attorneys general. Talks are under way in that probe in hopes of reaching a settlement, but that wouldn't extinguish the mounting threat of an avalanche of class actions.

USA Today: "2 Madoff employees charged with helping former boss' scam ... Two longtime back office employees of Bernard Madoff were arrested Thursday on charges that they helped the disgraced financier dupe investors for decades by making fictitious investments - and that they cashed in on the epic Ponzi scheme themselves."

Bloomberg: "Bernanke Steps Up Stimulus Defense, Turns Tables on China ... Federal Reserve Chairman Ben S. Bernanke took his defense of the U.S. central bank's monetary stimulus abroad, saying it will aid the world economy, and implicitly criticized China for keeping its currency weak."

Reuters: "SEC to step up supervision of hedge funds ... The SEC meets later on Friday to vote on a proposal that would require the registration of advisers to hedge funds and private equity funds with more than \$150 million in assets under management. The increased oversight is expected to help the SEC root out fraud in the \$1.6 trillion hedge fund industry, although players do not believe the new rules will burdensome."

City Journal: "Atlanta's Public-Housing Revolution ... For Glover, the projects were clearly a "toxic environment" to be leveled-and she proceeded to do it. Starting with grants from the Clinton-era Department of Housing and Urban Development (HUD), and then using private financing, she reduced the city's 14,000 public-housing units to 2,000, most of them in complexes for the elderly."